



Report to the Successor Agency to the Dissolved AUDA

Action Item

Agenda Item No. **2**City Manager Approval

To: Mayor and City Council Members
From: Robert Richardson, City Manager
Megan Siren, Administrative Analyst

Date: September 23, 2013

Subject: Consideration of approving the Successor Agency's Administrative Budget

The Issue

Shall the City Council adopt a resolution approving the Successor Agency's Administrative Budget?

Conclusion and Recommendation

Staff recommends that City Council, serving as the successor agency to the dissolved Auburn Urban Development Authority, by RESOLUTION approve the Successor Agency's Administrative Budget.

Background

On June 28, 2011, as part of the 2011-12 State of California budget bill, companion bills Assembly Bill 1X 26 (AB 26) and Assembly Bill 1X 27 (AB 27) were enacted, dissolving the Auburn Urban Development Authority (AUDA), unless the City of Auburn (City) elected to participate in the Alternative Voluntary Redevelopment Program established by AB 27 and paid an annual "community remittance" payment to the County of Placer. On July 18, 2011, a Petition of Writ of Mandate was filed in the Supreme Court of the State of California in the matter of *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, Case No S194861 (Legal Action), challenging the constitutionality of AB 26 and AB 27 on behalf of cities, counties and redevelopment agencies. On December 29, 2011, the Supreme Court issued its opinion in the Legal Action, upholding AB 26, invalidating AB 27, extending certain statutory deadlines under Health and Safety Code Sections 34170 through 34191, and dissolving all redevelopment agencies throughout the State effective February 1, 2012.

Analysis

The City elected to become the successor agency to AUDA by Resolution No. 12-03, dated January 9, 2012. One of the responsibilities of the City, as successor agency, is to prepare a Recognized Obligation Payment Schedules (ROPS) and Administrative Budget, which sets forth the nature, amount and source(s) of payment of all "enforceable obligations" of AUDA (as defined by law) to be paid by the successor agency after AUDA's dissolution, covering the forward-looking six month fiscal period.

The Successor Agency approved the ROPS 2013-14B on September 9, 2013 that covered the period from January 1, 2014 – June 30, 2014.

Administrative Budget

The Administrative Budget is to include all of the following: (i) estimated amounts of the Successor Agency's administrative costs for the up-coming six month fiscal period; (ii) the proposed sources of payment for the costs identified in (i); and (iii) proposals for arrangements for administrative and operation services for the six month fiscal period. Commencing with the ROPS 2013-14B, the Successor Agency has prepared a separate administrative budget to be considered by the Oversight Board and has included only the total on the ROPS.

As shown in Exhibit A, staff is requesting \$27,250 in RPTTF funding for its Administrative Budget to cover all costs to administer the distribution of the former Agency's assets, to fulfill all other obligations of the former Agency, and cover expenses of the Oversight Board, which cannot otherwise be attributed to individual projects as Enforceable Obligations.

Alternatives Available to Council; Implications of Alternatives

1. Proceed with Staff Recommendation
2. Do not adopt a resolution. As successor agency to the former Auburn Urban Development Authority, the City is required to adopt an Administrative Budget for consideration by the Oversight Committee.

Fiscal Impact

City funds expended to prepare the Administrative Budget are considered within the administrative reimbursement component of funds to be allocated from the Redevelopment Property Tax Trust Fund, to the extent available.

Attachments: Administrative Budget
Resolution

SUCCESSOR AGENCY TO THE FORMER AUBURN URBAN DEVELOPMENT AUTHORITY
ADMINISTRATIVE BUDGET
JANUARY 1, 2014 - JUNE 30, 2014

Personnel (Salary and Benefits)		
Administrative Services Director	\$	9,965
City Manager	\$	9,510
		<u>\$ 19,475</u>
Operations and Maintenance		
Professional/Contractual Services	\$	7,775
		<u>\$ 7,775</u>
Total Administrative Budget		<u><u>\$ 27,250</u></u>

RESOLUTION NO. 13-

A RESOLUTION OF THE CITY OF AUBURN OF THE CITY OF AUBURN, SERVING
AS THE SUCCESSOR AGENCY TO THE DISSOLVED AUBURN URBAN
DEVELOPMENT AUTHORITY, APPROVING AND ADOPTING AN
ADMINISTRATIVE BUDGET FOR THE ROPS 13/14B PERIOD, JANUARY 1, 2014
THROUGH JUNE 30, 2014

THE CITY COUNCIL OF THE CITY OF AUBURN DOES HEREBY RESOLVE:

WHEREAS, pursuant to Health and Safety Code Section 34173(d), the City of
Auburn (Successor Agency) elected to become the successor agency to the
Auburn Urban Development Authority by Resolution No. 12-03 on January 9,
2012; and

WHEREAS, Health and Safety Code Section 34183 requires the Successor
Agency to prepare updated recognized obligation payment schedules (ROPS)
for each six month fiscal period beginning January 1 and July 1 each year; and

WHEREAS, Health and Safety Code Section 34177(j) requires the Successor
Agency to prepare an administrative budget for each ROPS period and submit
the ROPS and the administrative budget to the Successor Agency's Oversight
Board for its approval, and upon such approval, the Successor Agency is
required to submit a copy of the approved ROPS (Approved ROPS) and
administrative budget to the Placer County Auditor-Controller, the California
State Controller, and the State of California Department of Finance, and post
the Approved ROPS and administrative budget on the Successor Agency's
website; and

WHEREAS, on September 9, 2013, the Successor Agency approved ROPS
13/14B, which included a line item for the total administrative cost allowance,
but did not include the breakdown of the administrative costs; and

1 WHEREAS, the detailed administrative budget for the ROPS 13/14B is
2 consistent with the line item total administrative cost allowance shown on the
3 ROPS 13/14B; and

4 WHEREAS, all other legal prerequisites to the adoption of this Resolution have
5 occurred.

6 NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF AUBURN, SERVING AS
7 THE SUCCESSOR AGENCY TO THE AUBURN URBAN DEVELOPMENT
8 AUTHORITY, DOES HEREBY RESOLVE AS FOLLOWS:

9 **Section 1. Recitals.** The Recitals set forth above are true and correct and are
10 incorporated into this Resolution by this reference.

11 **Section 2. CEQA Compliance.** The approval of the administrative budget
12 through this Resolution does not commit the Successor Agency to any action
13 that may have a significant effect on the environment. As a result, such action
14 does not constitute a project subject to the requirements of the California
15 Environmental Quality Act.

16 **Section 3. Approval of Administrative Budget.** The Successor Agency
17 hereby approves and adopts the administrative budget, in substantially the
18 form attached to this Resolution as Exhibit A, as required by Health and Safety
19 Code Section 34177(j).

20 **Section 4. Transmittal of Administrative Budget.** The City Manager is
21 hereby authorized and directed to take any action necessary to carry out the
22 purposes of this Resolution and comply with applicable law regarding the
23 administrative budget for the ROPS 13/14B, including submitting the
24 administrative budget -to the Placer County Auditor-Controller, or its designee,
25 the submission of the administrative budget (along with the previously
26 approved ROPS 13/14B) to the Successor Agency's Oversight Board, the
27 California State Controller, and the State of California Department of Finance,
28 and posting the administrative budget, along with the approved ROPS 13/14B
on the Successor Agency's website.

1 **Section 5. Effectiveness.** This Resolution shall take effect immediately upon
2 its adoption.

3 PASSED, APPROVED AND ADOPTED at a regular meeting of the City of Auburn,
4 serving as the successor agency to the Auburn Urban Development Authority,
5 on 23rd day of September, by the following vote:

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7 AYES:

8 NOES:

9 ABSTAIN:

10 ABSENT:

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Kevin Hanley, Mayor

13 ATTEST:

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15 Stephanie L. Snyder, City Clerk
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